FSC-172-A	11/18/98
SUBJECT: 1997 Year-End Closing Procedures	
Response Required? _X_ Yes	
Date Required: Monday, December 22, 1997	

DISTRIBUTION:

___ AVP	___ KAM	___ DM
___ RSM	___ AM	___ RM
___ RBM	___ AE	___ Sales Rep
_X_ ROM		___ Retail Rep

Objective: Communicate 1997 year-end closing procedures.

Purpose: Ensure that accrual procedures are understood and system cut-off dates are met for 1997 year-end closing process.

In order that all expenses incurred in 1997 business are properly recorded in the company's records for 1997, certain procedures and timetables are required to be met as outlined in this letter. **There is no need to expedite actual cash payments to record the expenses into 1997 business.** TPS payment requests and invoices should be processed in the normal flow of business so as not to cause unnecessary early payment.

If a 1997 expense is incurred but will not be physically paid until 1998, it can still be recorded as a 1997 expense using the attached year-end **DISCOUNTING AND REPORT V ACCRUAL FORMS**. Please e-mail these forms to the Financial Services Contact (listed on page 3) by **12:00 Noon EST, Monday, December 22, 1997**. The accruals submitted should represent only those expenses normally processed through the ROU by type of expense and dollar amount. It is not the intent of these procedures to request expense accruals from Sales Reps and Retail Reps but to **STRONGLY** encourage them to record all activity through year-end and communicate this activity by **January 4**. Your assistance is needed to ensure that all timetables are met and communicated to Region personnel as necessary.

Disbursements Accounting Cut-Off

All Office Expense Invoices and Accounts Payable Voucher Request must be **properly approved and received** by Disbursements Accounting in Winston-Salem by close of business **Tuesday, December 23, 1997** to be processed as 1997 business. Any on hand 1997 invoices that which cannot be processed by the above date should be included on the year-end **REPORT V ACCRUAL FORM**. These invoices should be processed under normal procedures, but not released to Disbursements Accounting until after **January 1, 1998**.

Sales Expense System Cut-off

The Sales Expenses System will be available on **Monday, December 22, 1997** to enter bi-weekly expense reports for the period ending **Sunday, December 28, 1997** Expense reports must be keyed by **4:30 P.M. EST, Wednesday, December 31, 1997** to be included in 1997 business. Please make every effort to get as much of this information into the system as possible.

Part-Time Labor Expenses

The new automated Labor Reporting System will be available on **Tuesday, December 23, 1997** to enter Part-Time Labor hours and mileage. The hours and mileage must be entered by **12:00 Midnight EST Saturday, December 27, 1997** to meet the deadlines established in LRS.

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Call Reporting

All Call Activity during the week ending **January 2, 1998** must be communicated on the last day worked during that week or **no later than 12:00 Noon EST, Sunday, January 4, 1998.**

All 1997 handheld codes will not be available to Retail Reps after **January 2**. However, they will be available to ROU's until **March 31, 1998**. When making payments against 1997 accruals, use 1997 designated handheld codes **and** update activity as normal. **(This is a change from the way we have handled accruals in the past.)**

Temporary Payment System (TPS) Cut-off

The Temporary Payment System cut-off will be **4:30 P.M. EST, Wednesday, December 31, 1997**.

Discounting

- ***Large chains including AE chains should be submitted by the accountable ROU.***
- The accrual form should include the following payment types:
  - Full Price Gap
  - RJR Match
  - Savings Ceiling
  - Monarch/EDLP
  - Best Value/EDLP
- All payments made in 1998 for 1997 accruals should be processed through the ROU using "1997" TPS codes.
- RJR Match activity recorded on the year-end **DISCOUNTING ACCRUAL FORM** should be paid using 1997 handheld codes and the activity should be updated in TPS when the payment is actually made in 1998.

Non-Discounting

- All Retailer Match activity should be entered by **Wednesday, December 31, 1997**. Anything entered after that date in the handheld will be recorded as 1998 activity. The ROU will be able to record "1997" Retailer Match activity under M72 through the first quarter of 1998.
- **Report V Accrual Procedures**
  Any Report V expenses incurred but not paid in 1997 such as Value Added/DPC, Employee Business and Office Operating which are not processed through TPS or Disbursements Accounting by the dates indicated above should be accrued. Any 1997 expenses should be included on the attached **REPORT V ACCRUAL FORM**. (4-Digit Rpt V Class Code example - Value Added is 9217)

It is very important that the year-end **DISCOUNTING ACCRUAL FORM** and **REPORT V ACCRUAL FORM** be used in the **Excel format**. Please complete all information on the form but do not change any information or cells highlighted in **red**. Multiple copies of the form are included on the file. Completed and approved forms should be retained at the ROU and **E-Mailed** to your Financial Services Contact by **12:00 Noon EST, Monday, December 22, 1997** so that the Excel file can be used to further consolidate/analyze this data.

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Financial Services Contacts

Questions regarding these year-end procedures can be addressed to any of the following:

Anne Cullip (NESA)*	Ext. 1401
David Rzotkiewicz (SSA)*	Ext. 7825
Kathryn Noxon (WSA)*	Ext. 2559
Rick Cornett (MWSA)*	Ext. 0168
Kathryn Premo	Ext. 2689
Doug Martin	Ext. 1826
Cindy Carlin	Ext. 3077

* should be the primary contact.

R. J. REYNOLDS TOBACCO COMPANY

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KEY DATES FOR YEAR-END CLOSING				
	Activity	Key Date(s)	Action Required	Comments
SR/RR/DM/ KAM/AM	SES Cut-off	12/31/97	Last day to input exp. reports to SES	System available Dec. 22, 1997
	Discounting/RJR Match Activity	12/31/97 after 12/31/97	Last day activity can be entered into TPS Submit to ROU 1997 activity > $5000 entered on DISCOUNTING ACCRUAL FORM	1998 payments against 1997 accruals processed through ROU using 1997 TPS codes
	Retailer Match Activity	12/31/97	Last day activity can be entered	ROU can record 1997 Retailer Match activity through 1st Qtr. of 1998
	Call Activity	1/4/98	Last day to communicate activity for week ending 1/2/98	
ROU	Report V Accruals	12/22/97	Last day to submit REPORT V ACCRUAL FORM to Fin. Services contact	
	Discounting Accruals	12/22/97	Last day to submit DISCOUNTING ACCRUAL FORM to Fin. Services contact	
	Office Expense Invs. & A/P Voucher Request	12/23/97 after 12/23/97	Last day to submit invoices and A/P vouchers to Disb. Accounting Any 1997 invs. to be included on REPORT V ACCRUAL FORM	 Do not send invs. to D/A until 1/1/1998
	TPS Cutoff	12/31/97	Last day to enter payments into system	
Part-time	Labor hours and miles	12/27/97	Last day to input labor hours and mileage into LRS	LRS available Dec. 23, 1997

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1997 YEAR-END DISCOUNTING ACCRUAL FORM

REGION # 1244

Division #	Name of Account	SIS Account #	FULL PRICE GAP/BASE RAC Cartons	FULL PRICE GAP/BASE RAC Dollars	FULL PRICE RJR MATCH Cartons	FULL PRICE RJR MATCH Dollars	SAVINGS CEILING/EDLP Cartons	SAVINGS CEILING/EDLP Dollars	Total Cartons	Total Dollars
1244	Duane Reade	688882	5,000	$10,000			800	2,400		
		TOTALS								

APPROVED BY: Regional Operations Manager *

* Note: If an individual amount exceeds ROM approval authority, authorized level must approve.

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1997 YEAR-END REPORT V ACCRUAL FORM

REGION # ________

Name of Account	Type of Payment	4-Digit RPT V Class Code	Division Number	Amount of Obligation at 12/31/97 (leave as formatted)
	TOTALS			

APPROVED BY: ______________________________

Regional Operations Manager

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Source: https://www.industrydocuments.ucsf.edu/docs/mjcp0000

FSC-172-A

1997 YEAR-END REPORT V ACCRUAL FORM

REGION # _12xx_____ 51842 6743

VAP - 4-DIGIT CLASS CODE: 9217

DPC - 4 DIGIT CLASS CODE: 9219

Frank Perez

Name of Account	Type of Payment	4-Digit RPT V Class Code	Division Number	Amount of Obligation at 12/31/97 (leave as formatted)
Center Candy	VAP	9217	1244	5000.00
Mauro Pennisi	VAP	9217	1244	500.00
Sunrise Candy	VAP	9217	1244	500.00
S/A	DPC	9219	1244	1500.00
Queens Tobacco	VAP	9217	1244	300.00
Gutlove & Shrivint	VAP	9217	1244	1000.00
Tiger Tobacco	VAP	9217	1244	700.00
Bonanza Too	VAP	9217	1244	1000.00
Center Candy	DPC	9219	1244	700.00
Somalin Cigar	DPC	9219	1244	1000.00
H&K Foods	DPC	9219	1244	1500.00
Espinosa Corp	DPC	9219	1244	700.00
	TOTALS			

APPROVED BY: _____

Regional Operations Manager

Source: https://www.industrydocuments.ucsf.edu/docs/mjcp0000

1997 YEAR-END DISCOUNTING ACCRUAL FORM

REGION # _____ 51842 6744

Division #	Name of Account	SIS Account #	FULL PRICE GAP/BASE RAC Cartons	FULL PRICE GAP/BASE RAC Dollars	FULL PRICE RJR MATCH Cartons	FULL PRICE RJR MATCH Dollars	SAVINGS CEILING Cartons	SAVINGS CEILING Dollars	Cartons
1240	Amerada Hess Corp.	420565	132,916	$ 265,832	14,800	$ 29,599	48,000	$ 96,000.00	195,716
1240	Quick Chek Food Stores	574890	9,036	$ 18,072	5,192	$ 10,384	1,250	$ 2,500.00	15,478
1240	Foodarama Shop Rite	793261			7,852	$ 15,704	4,000	$ 8,000.00	11,852
1240	Village Supermarkets	667042	6,582	$ 13,164	4,704	$ 9,408	5,000	$ 10,000.00	16,286
1240	Shop Rite Supermarkets	317696	2,853	$ 5,706	2,166	$ 4,335	2,000	$ 4,000.00	7,019
1240	Inserra Shop Rites	771450	8,984	$ 17,968	6,615	$ 13,230	3,000	$ 6,000.00	18,599
1240	Glass Shop Rite	608916	2,601	$ 5,202	2,470	$ 4,940	4,000	$ 8,000.00	9,071
1240	Ronetco Shop Rite	534601	4,576	$ 9,151	2,601	$ 5,205	5,000	$ 10,000.00	12,177
1240	Andy K's Dairy Deli	425205	1	$ 2	26	$ 51.00	120	$ 240.00	147
1240	Pathmark Stores Inc	716062					6,000	$ 12,000.00	6,000
1244	Duane Reade	688882	5,000	$ 10,000			800	$ 2,400.00	5,800
1244	Country Convenience	036705	310	$ 620			175	$ 350.00	485
1244	Buckley Gas	461406	442	$ 884			70	$ 140.00	512
1244	Friendly Service	546972	791	$ 1,582			130	$ 260.00	921
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		TOTALS	174,092	$ 348,183.00	46,426	$ 92,856.00	79,545	$ 159,890.00	300,063

APPROVED BY:

Regional Operations M

* Note: If an individual amount exceeds ROM approval authority, authorized level must approve.

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Total Dollars
$ 391,431
$ 30,956
$ 23,704
$ 32,572
$ 14,041
$ 37,198
$ 18,142
$ 24,356
$ 293
$ 12,000
$ 12,400
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$ 1,024
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1997 YEAR-END DISCOUNTING ACCRUAL FORM

REGION # _____ 51842 6746

Division #	Name of Account	SIS Account #	FULL PRICE GAP/BASE RAC Cartons	FULL PRICE GAP/BASE RAC Dollars	FULL PRICE RJR MATCH Cartons	FULL PRICE RJR MATCH Dollars	SAVINGS CEILING Cartons	SAVINGS CEILING Dollars	Total Cartons	Total Dollars
1240	Amerada Hess Corp.	420565	132,916	$ 265,832	14,800	$ 29,599	48,000	$ 96,000.00	195,716	$ 391,431
1240	Quick Chek Food Stores	574890	9,036	$ 18,072	5,192	$ 10,384	1,250	$ 2,500.00	15,478	$ 30,956
1240	Foodarama Shop Rite	793261			7,852	$ 15,704	4,000	$ 8,000.00	11,852	$ 23,704
1240	Village Supermarkets	667042	6,582	$ 13,164	4,704	$ 9,408	5,000	$ 10,000.00	16,286	$ 32,572
1240	Shop Rite Supermarkets	317696	2,853	$ 5,706	2,166	$ 4,335	2,000	$ 4,000.00	7,019	$ 14,041
1240	Inserra Shop Rites	771450	8,984	$ 17,968	6,615	$ 13,230	3,000	$ 6,000.00	18,599	$ 37,198
1240	Glass Shop Rite	608916	2,601	$ 5,202	2,470	$ 4,940	4,000	$ 8,000.00	9,071	$ 18,142
1240	Ronetco Shop Rite	534601	4,576	$ 9,151	2,601	$ 5,205	5,000	$ 10,000.00	12,177	$ 24,356
1240	Andy K's Dairy Deli	425205	1	$ 2	26	$ 51.00	120	$ 240.00	147	$ 293
1240	Pathmark Stores Inc	716062					6,000	$ 12,000.00	6,000	$ 12,000
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		TOTALS	167,549	$ 335,097.00	46,426	$ 92,856	78,370	$ 156,740	292,345	$ 584,693

APPROVED BY:

Regional Operations Manager *

* Note: If an individual amount exceeds ROM approval authority, authorized level must approve.

Source: https://www.industrydocuments.ucsf.edu/docs/mjcp0000

1997 YEAR-END DISCOUNTING ACCRUAL FORM

REGION # 51842 6747

Division #	Name of Account	SIS Account #	FULL PRICE GAP/BASE RAC Cartons	FULL PRICE GAP/BASE RAC Dollars	FULL PRICE RJR MATCH Cartons	FULL PRICE RJR MATCH Dollars	SAVINGS CEILING Cartons	SAVINGS CEILING Dollars	Total Cartons	Total Dollars
124462	Country Convenience	36705	310	$ 620.00			175	$ 350.00	485	$ 970.00
124462	Buckley Gas	461403	442	$ 884.00			70	$ 140.00	512	$ 1,024.00
124462	Friendly Service	546972	791	$1,582.00			130	$ 260.00	921	$ 1,842.00
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		TOTALS	1,543	$3,086.00	-	$ -	375	$ 750.00	1,918	$ 3,836.00

APPROVED BY:

Regional Operations Manager *

* Note: If an individual amount exceeds ROM approval authority, authorized level must approve.

FROM RJ Reynolds 914 332 5333 12-19-97 10:06AM TO ROJ 17321179926 P.1

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